



House of Representatives

File No. 904

General Assembly

January Session, 2009

(Reprint of File No. 70)

Substitute House Bill No. 6302
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 4, 2009

AN ACT CONCERNING REVISIONS TO THE UTILITY STATUTES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-18a of the general statutes is amended by
2 adding subsection (d) as follows (*Effective from passage*):

3 (NEW) (d) For any proceeding before the Federal Energy
4 Regulatory Commission, the United States Department of Energy, the
5 United States Nuclear Regulatory Commission, the United States
6 Securities and Exchange Commission, the Federal Trade Commission,
7 the United States Department of Justice or the Federal
8 Communications Commission, the department may retain consultants
9 to assist its staff in such proceedings by providing expertise in areas in
10 which staff expertise does not currently exist or to supplement staff
11 expertise. All reasonable and proper expenses of such expert
12 consultants shall be borne by the public service companies, certified
13 telecommunications providers, electric suppliers or gas registrants
14 affected by the decisions of such proceeding and shall be paid at such
15 times and in such manner as the department directs, provided such

16 expenses (1) shall be apportioned in proportion to the revenues of each
17 affected entity as reported to the department pursuant to section 16-49
18 for the most recent period, and (2) shall not exceed two hundred fifty
19 thousand dollars per proceeding, including any appeals thereof, in any
20 calendar year unless the department finds good cause for exceeding
21 the limit. The department shall recognize all such expenses as proper
22 business expenses of the affected entities for ratemaking purposes
23 pursuant to section 16-19e, if applicable.

24 Sec. 2. Subsection (c) of section 16-262j of the general statutes is
25 repealed and the following is substituted in lieu thereof (*Effective from*
26 *passage*):

27 (c) Each public service company, certified telecommunications
28 provider and electric supplier shall pay interest on any security
29 deposit it receives from a customer at the average rate paid, as of
30 December 30, 1992, on savings deposits by insured commercial banks
31 as published in the Federal Reserve Board bulletin and rounded to the
32 nearest one-tenth of one percentage point, except in no event shall the
33 rate be less than one and one-half per cent. On and after January 1,
34 1994, the rate for each calendar year shall be not less than the deposit
35 index as defined and determined by the Banking Commissioner in
36 subsection (d) of this section, for that year and rounded to the nearest
37 one-tenth of one percentage point, except in no event shall the rate be
38 less than one and one-half per cent.

39 Sec. 3. Subsection (c) of section 16-8a of the general statutes is
40 repealed and the following is substituted in lieu thereof (*Effective from*
41 *passage*):

42 (c) (1) Not more than [thirty] ninety business days after receipt of a
43 written complaint, in a form prescribed by the department, by an
44 employee alleging the employee's employer has retaliated against an
45 employee in violation of subsection (a) of this section, the department
46 shall make a preliminary finding in accordance with this subsection.

47 (2) Not more than five business days after receiving a written

48 complaint, in a form prescribed by the department, the department
49 shall notify the employer by certified mail. Such notification shall
50 include a description of the nature of the charges and the substance of
51 any relevant supporting evidence. The employer may submit a written
52 response and both the employer and the employee may present
53 rebuttal statements in the form of affidavits from witnesses and
54 supporting documents and may meet with the department informally
55 to respond verbally about the nature of the employee's charges. The
56 department shall consider in making its preliminary finding as
57 provided in subdivision (3) of this subsection any such written and
58 verbal responses, including affidavits and supporting documents,
59 received by the department not more than twenty business days after
60 the employer receives such notice. Any such response received after
61 twenty business days shall be considered by the department only upon
62 a showing of good cause and at the discretion of the department. The
63 department shall make its preliminary finding as provided in
64 subdivision (3) of this subsection based on information described in
65 this subdivision, without a public hearing.

66 (3) Unless the department finds by clear and convincing evidence
67 that the adverse employment action was taken for a reason
68 unconnected with the employee's report of substantial misfeasance,
69 malfeasance or nonfeasance, there shall be a rebuttable presumption
70 that an employee was retaliated against in violation of subsection (a) of
71 this section if the department finds that: (A) The employee had
72 reported substantial misfeasance, malfeasance or nonfeasance in the
73 management of the public service company, holding company or
74 licensee; (B) the employee was subsequently discharged, suspended,
75 demoted or otherwise penalized by having the employee's status of
76 employment changed by the employee's employer; and (C) the
77 subsequent discharge, suspension, demotion or other penalty followed
78 the employee's report closely in time.

79 (4) If such findings are made, the department shall issue an order
80 requiring the employer to immediately return the employee to the
81 employee's previous position of employment or an equivalent position

82 pending the completion of the department's full investigatory
83 proceeding pursuant to subsection (d) of this section.

84 Sec. 4. Subdivision (1) of subsection (b) of section 16-262c of the
85 general statutes is repealed and the following is substituted in lieu
86 thereof (*Effective from passage*):

87 (b) (1) From November first to May first, inclusive, no electric or
88 electric distribution company, as defined in section 16-1, as amended
89 by this act, no electric supplier and no municipal utility furnishing
90 electricity shall terminate, deny or refuse to reinstate residential
91 electric service in hardship cases where the customer lacks the
92 financial resources to pay his or her entire account. From November
93 first to May first, inclusive, no gas company and no municipal utility
94 furnishing gas shall terminate or refuse to reinstate residential gas
95 service in hardship cases where the customer uses such gas for heat
96 and lacks the financial resources to pay his or her entire account,
97 except a gas company that, between May second and October thirty-
98 first, terminated gas service to a residential customer who uses gas for
99 heat and who, during the previous period of November first to May
100 first, had gas service maintained because of hardship status, may
101 refuse to reinstate the gas service from November first to May first,
102 inclusive, only if the customer has failed to pay, since the preceding
103 November first, the lesser of: (A) Twenty per cent of the outstanding
104 principal balance owed the gas company as of the date of termination,
105 (B) one hundred dollars, or (C) the minimum payments due under the
106 customer's amortization agreement. Notwithstanding any other
107 provision of the general statutes to the contrary, no electric, electric
108 distribution or gas company, no electric supplier and no municipal
109 utility furnishing electricity or gas shall terminate or refuse to reinstate
110 residential electric or gas service where the customer lacks the financial
111 resources to pay his or her entire account and for which customer or a
112 member of the customer's household the termination or failure to
113 reinstate such service would create a life-threatening situation.

114 Sec. 5. Subsection (a) of section 16-19 of the general statutes is

115 repealed and the following is substituted in lieu thereof (*Effective from*
116 *passage*):

117 (a) No public service company may charge rates in excess of those
118 previously approved by the authority or the Department of Public
119 Utility Control except that any rate approved by the Public Utilities
120 Commission or the authority shall be permitted until amended by the
121 authority or the department, that rates not approved by the authority
122 or the department may be charged pursuant to subsection (b) of this
123 section, and that the hearing requirements with respect to adjustment
124 clauses are as set forth in section 16-19b. Each public service company
125 shall file any proposed amendment of its existing rates with the
126 department in such form and in accordance with such reasonable
127 regulations as the department may prescribe. Each electric, electric
128 distribution, gas or telephone company filing a proposed amendment
129 shall also file with the department an estimate of the effects of the
130 amendment, for various levels of consumption, on the household
131 budgets of high and moderate income customers and customers
132 having household incomes not more than one hundred fifty per cent of
133 the federal poverty level. Each electric and electric distribution
134 company shall also file such an estimate for space heating customers.
135 Each water company, except a water company that provides water to
136 its customers less than six consecutive months in a calendar year, filing
137 a proposed amendment, shall also file with the department a plan for
138 promoting water conservation by customers in such form and in
139 accordance with a memorandum of understanding entered into by the
140 department pursuant to section 4-67e. Each public service company
141 shall notify each customer who would be affected by the proposed
142 amendment, by mail, at least one week prior to the public hearing
143 thereon but no earlier than six weeks prior to the start of the public
144 hearing, that an amendment has been or will be requested. Such notice
145 shall also indicate (1) the [Department of Public Utility Control] date,
146 time and location of each scheduled public hearing, if known at the
147 time such company prepares such notification, (2) that customers may
148 provide comments regarding the proposed rate request by writing to

149 the Department of Public Utility Control or by appearing in person at
150 one of the scheduled public hearings, (3) the department's telephone
151 number for obtaining information concerning the schedule for public
152 hearings on the proposed amendment, and [(2)] (4) whether the
153 proposed amendment would, in the company's best estimate, increase
154 any rate or charge by twenty per cent or more, and, if so, describe in
155 general terms any such rate or charge and the amount of the proposed
156 increase, provided no such company shall be required to provide more
157 than one form of the notice to each class of its customers. In the case of
158 a proposed amendment to the rates of any public service company, the
159 department shall hold a public hearing thereon, except as permitted
160 with respect to interim rate amendments by subsection (d) and
161 subsection (g) of this section, and shall make such investigation of such
162 proposed amendment of rates as is necessary to determine whether
163 such rates conform to the principles and guidelines set forth in section
164 16-19e, or are unreasonably discriminatory or more or less than just,
165 reasonable and adequate, or that the service furnished by such
166 company is inadequate to or in excess of public necessity and
167 convenience. The department, if in its opinion such action appears
168 necessary or suitable in the public interest may, and, upon written
169 petition or complaint of the state, under direction of the Governor,
170 shall, make the aforesaid investigation of any such proposed
171 amendment which does not involve an alteration in rates. If the
172 department finds any proposed amendment of rates to not conform to
173 the principles and guidelines set forth in section 16-19e, or to be
174 unreasonably discriminatory or more or less than just, reasonable and
175 adequate to enable such company to provide properly for the public
176 convenience, necessity and welfare, or the service to be inadequate or
177 excessive, it shall determine and prescribe, as appropriate, an adequate
178 service to be furnished or just and reasonable maximum rates and
179 charges to be made by such company. In the case of a proposed
180 amendment filed by an electric, electric distribution, gas or telephone
181 company, the department shall also adjust the estimate filed under this
182 subsection of the effects of the amendment on the household budgets
183 of the company's customers, in accordance with the rates and charges

184 approved by the department. The department shall issue a final
185 decision on each rate filing within one hundred fifty days from the
186 proposed effective date thereof, provided it may, before the end of
187 such period and upon notifying all parties and intervenors to the
188 proceedings, extend the period by thirty days.

189 Sec. 6. Subdivision (30) of subsection (a) of section 16-1 of the
190 general statutes is repealed and the following is substituted in lieu
191 thereof (*Effective from passage*):

192 (30) "Electric supplier" means any person [, including an electric
193 aggregator] or participating municipal electric utility that is licensed
194 by the Department of Public Utility Control in accordance with section
195 16-245, [that] as amended by this act, and provides electric generation
196 services to end use customers in the state using the transmission or
197 distribution facilities of an electric distribution company, regardless of
198 whether or not such person takes title to such generation services, but
199 does not include: (A) A municipal electric utility established under
200 chapter 101, other than a participating municipal electric utility; (B) a
201 municipal electric energy cooperative established under chapter 101a;
202 (C) an electric cooperative established under chapter 597; (D) any other
203 electric utility owned, leased, maintained, operated, managed or
204 controlled by any unit of local government under any general statute
205 or special act; or (E) an electric distribution company in its provision of
206 electric generation services in accordance with subsection (a) or, prior
207 to January 1, 2004, subsection (c) of section 16-244c.

208 Sec. 7. Subdivision (31) of subsection (a) of section 16-1 of the
209 general statutes is repealed and the following is substituted in lieu
210 thereof (*Effective from passage*):

211 (31) "Electric aggregator" means [(A) a person, municipality or
212 regional water authority that] any person, municipality or regional
213 water authority or the Connecticut Resource Recovery Authority, if
214 such entity gathers together electric customers for the purpose of
215 negotiating the purchase of electric generation services from an electric

216 supplier, [or (B) the Connecticut Resources Recovery Authority, if it
217 gathers together electric customers for the purpose of negotiating the
218 purchase of electric generation services from an electric supplier,]
219 provided such [person, municipality or authority] entity is not
220 engaged in the purchase or resale of electric generation services, and
221 provided further such customers contract for electric generation
222 services directly with an electric supplier, and may include an electric
223 cooperative established pursuant to chapter 597.

224 Sec. 8. Subsection (a) of section 16-1 of the general statutes is
225 amended by adding subdivision (51) as follows (*Effective from passage*):

226 (NEW) (51) "Electric broker" means any person, municipality or
227 regional water authority or the Connecticut Resources Recovery
228 Authority, if such entity arranges or acts as an agent, negotiator or
229 intermediary in the sale or purchase of electric generation services
230 between any end-use customer in the state and any electric supplier,
231 but does not take title to any of the generation services sold, provided
232 (A) such entity is not engaged in the purchase and resale of electric
233 generation services, and (B) such customer contracts for electric
234 generation services directly with an electric supplier, and may include
235 an electric cooperative established pursuant to chapter 597.

236 Sec. 9. Subsection (l) of section 16-245 of the general statutes is
237 repealed and the following is substituted in lieu thereof (*Effective from*
238 *passage*):

239 (l) (1) An electric aggregator or electric broker shall not be subject to
240 the provisions of subsections (a) to (k), inclusive, of this section.

241 (2) No electric aggregator or electric broker shall arrange or
242 negotiate a contract for the purchase of electric generation services
243 from an electric supplier unless such aggregator or electric broker has
244 [(A)] obtained a certificate of registration from the Department of
245 Public Utility Control in accordance with this subsection. [, or (B) in the
246 case of a municipality, regional water authority and the Connecticut
247 Resources Recovery Authority, registered in accordance with section

248 16-245b.] An electric aggregator that was licensed pursuant to this
249 section prior to July 1, 2003, shall receive a certificate of registration on
250 July 1, 2003. An entity that has been issued an electric supplier license
251 by the Department of Public Utility Control pursuant to subsections (a)
252 to (k), inclusive, of this section may act as an electric aggregator or
253 electric broker without having to obtain a certificate of registration in
254 accordance with this subsection.

255 (3) An application for a certificate of registration shall be filed with
256 the department, accompanied by a fee as determined by the
257 department. The application shall contain such information as the
258 department may deem relevant, including, but not limited to, the
259 following: (A) The address of the applicant's headquarters and the
260 articles of incorporation, if applicable, as filed with the state in which
261 the applicant is incorporated; (B) the address of the applicant's
262 principal office in the state, if any, or the address of the applicant's
263 agent for service in the state; (C) the toll-free or in-state telephone
264 number of the applicant; (D) information about the applicant's
265 corporate structure, if applicable, including [financial names and
266 financial statements, as relevant, concerning] names and background
267 information of corporate affiliates; (E) disclosure of whether the
268 applicant or any of the applicant's corporate affiliates or officers, if
269 applicable, have been or are currently under investigation for violation
270 of any consumer protection law or regulation to which it is subject,
271 either in this state or in another state. Each registered electric
272 aggregator or electric broker shall update the information contained in
273 this subdivision as necessary.

274 (4) Not more than thirty days after receiving an application for a
275 certificate of registration, the department shall notify the applicant
276 whether the application is complete or whether the applicant must
277 submit additional information. The department shall grant or deny the
278 application for a certificate of registration not more than ninety days
279 after receiving all information required of an applicant. The
280 department shall hold a public hearing on an application upon the
281 request of any interested party.

282 (5) As a condition for maintaining a certificate of registration, the
283 registered electric aggregator or electric broker shall ensure that, where
284 applicable, it complies with the National Labor Relations Act and
285 regulations, if applicable, and it complies with the Connecticut Unfair
286 Trade Practices Act and applicable regulations.

287 (6) Any registered electric aggregator or electric broker that fails to
288 comply with a registration condition or violates any provision of this
289 section shall be subject to civil penalties by the Department of Public
290 Utility Control in accordance with the procedures contained in section
291 16-41, or the suspension or revocation of such registration, or a
292 prohibition on accepting new customers following a hearing that is
293 conducted as a contested case in accordance with the provisions of
294 chapter 54.

295 Sec. 10. Section 16-245b of the general statutes is repealed and the
296 following is substituted in lieu thereof (*Effective from passage*):

297 Notwithstanding the provisions of subsection (a) of section 16-245,
298 the provisions of said section shall not apply to (1) any municipality or
299 regional water authority that aggregates or brokers the sale of electric
300 generation services, or to the Connecticut Resources Recovery
301 Authority if such authority aggregates or brokers the sale of electric
302 generation services, for end use customers located within the
303 boundaries of such municipality or regional water authority, (2) any
304 municipality that joins together with other municipalities to aggregate
305 or broker the sale of electric generation services for end use customers
306 located within the boundaries of such municipalities, or (3) any
307 municipality or regional water authority that aggregates or brokers the
308 purchase of electric generation services for municipal facilities, street
309 lighting, boards of education and other publicly-owned facilities
310 within (A) the municipality for which the municipality is financially
311 responsible, or (B) the municipalities that are within the authorized
312 service area of the regional water authority. Any municipality or
313 regional water authority that aggregates or brokers in accordance with
314 this section shall register not less than annually with the Department

315 of Public Utility Control on a form prescribed by the department.

316 Sec. 11. Subsection (b) of section 16-245p of the general statutes is
317 repealed and the following is substituted in lieu thereof (*Effective from*
318 *passage*):

319 (b) The Department of Public Utility Control shall maintain and
320 make available to customers upon request, a list of electric aggregators
321 and electric brokers and the following information about each electric
322 supplier and each electric distribution company providing standard
323 service or back-up electric generation service, pursuant to section 16-
324 244c: (1) Rates and charges; (2) applicable terms and conditions of a
325 contract for electric generation services; (3) the percentage of the total
326 electric output derived from each of the categories of energy sources
327 provided in subsection (e) of section 16-244d, the total emission rates
328 of nitrogen oxides, sulfur oxides, carbon dioxide, carbon monoxide,
329 particulates, heavy metals and other wastes the disposal of which is
330 regulated under state or federal law at the facilities operated by or
331 under long-term contract to the electric supplier or providing electric
332 generation services to an electric distribution company providing
333 standard service or back-up electric generation service, pursuant to
334 section 16-244c, and the analysis of the environmental characteristics of
335 each such category of energy source prepared pursuant to subsection
336 (e) of [said] section 16-244d and to the extent such information is
337 unknown, the estimated percentage of the total electric output for
338 which such information is unknown, along with the word "unknown"
339 for that percentage; (4) a record of customer complaints and the
340 disposition of each complaint; and (5) any other information the
341 department determines will assist customers in making informed
342 decisions when choosing an electric supplier. The department shall
343 make available to customers the information filed pursuant to
344 subsection (a) of this section not later than thirty days after its receipt.
345 The department shall put such information in a standard format so
346 that a customer can readily understand and compare the services
347 provided by each electric supplier.

348 Sec. 12. Subdivision (19) of subsection (a) of section 22a-266 of the
349 general statutes is repealed and the following is substituted in lieu
350 thereof (*Effective from passage*):

351 (19) Act as an electric supplier, [or] an electric aggregator or an
352 electric broker pursuant to public act 98-28* provided any net revenue
353 to the authority from activities, contracts, products or processes
354 undertaken pursuant to this subdivision, after payment of principal
355 and interest on bonds and repayment of any loans or notes of the
356 authority, shall be distributed so as to reduce the costs of other
357 authority services to the users thereof on a pro rata basis proportionate
358 to costs paid by such users. In acting as an electric supplier, [or an]
359 electric aggregator or electric broker pursuant to any license granted
360 by the Department of Public Utility Control, the authority may enter
361 into contracts for the purchase and sale of electricity and electric
362 generation services, provided such contracts are solely for the
363 purposes of ensuring the provision of safe and reliable electric service
364 and protecting the position of the authority with respect to capacity
365 and price.

366 Sec. 13. Subsection (c) of section 7-148ee of the general statutes is
367 repealed and the following is substituted in lieu thereof (*Effective from*
368 *passage*):

369 (c) No corporation established pursuant to subsection (a) of this
370 section shall engage in the manufacture, distribution, purchase or sale,
371 or any combination thereof, of electricity, gas or water outside the
372 service area of such municipal electric or gas utility or within its
373 service area if it encroaches upon the service area or franchise area of
374 another water or gas utility. Nothing in this section shall be construed
375 to permit any municipal electric utility to engage in the sale, [or]
376 aggregation or brokering of electric generation services other than
377 pursuant to section 16-245, as amended by this act.

378 Sec. 14. Subsection (b) of section 33-219 of the general statutes is
379 repealed and the following is substituted in lieu thereof (*Effective from*

380 *passage*):

381 (b) Notwithstanding the provisions of subsection (a) of this section,
382 cooperative, nonprofit, membership corporations may be organized
383 under this chapter for the purpose of generating electric energy by
384 means of cogeneration technology, renewable energy resources or both
385 and supplying it to any member or supplying it to, purchasing it from
386 or exchanging it with a public service company, electric supplier, [as
387 defined in section 16-1,] municipal aggregator, [as defined in said
388 section] electric broker, municipal utility or municipal electric energy
389 cooperative, all as defined in section 16-1, as amended by this act, in
390 accordance with an agreement with the company, electric supplier,
391 electric aggregator, electric broker, municipal utility or cooperative. No
392 membership corporation under this subsection may exercise those
393 powers contained in subsection (i) or (j) of section 33-221 unless the
394 prior approval of the Department of Public Utility Control is obtained,
395 after opportunity for hearing in accordance with title 16 and chapter
396 54. Any cooperative organized on or after July 1, 1998, pursuant to this
397 subsection shall collect from its members the competitive transition
398 assessment levied pursuant to section 16-245g and the systems benefits
399 charge levied pursuant to section 16-245l in such manner and at such
400 rate as the Department of Public Utility Control prescribes, provided
401 the department shall order the collection of said assessment and said
402 charge in a manner and rate equal to that to which the members of the
403 cooperative would have been subject had the cooperative not been
404 organized.

405 Sec. 15. Subsection (f) of section 16-2 of the general statutes is
406 repealed and the following is substituted in lieu thereof (*Effective from*
407 *passage*):

408 (f) (1) The chairperson of the authority, with the consent of two or
409 more other members of the authority, shall appoint an executive
410 director, who shall be the chief administrative officer of the
411 Department of Public Utility Control. The executive director shall be
412 supervised by the chairperson of the authority, serve for a term of four

413 years and annually receive a salary equal to that established for
414 management pay plan salary group seventy-two by the Commissioner
415 of Administrative Services. The executive director [(1)] (A) shall
416 conduct comprehensive planning with respect to the functions of the
417 department; [(2)] (B) shall coordinate the activities of the department;
418 [(3)] (C) shall cause the administrative organization of the department
419 to be examined with a view to promoting economy and efficiency; [(4)]
420 (D) shall, in concurrence with the chairperson of the authority,
421 organize the department into such divisions, bureaus or other units as
422 he deems necessary for the efficient conduct of the business of the
423 department and may from time to time abolish, transfer or consolidate
424 within the department, any division, bureau or other units as may be
425 necessary for the efficient conduct of the business of the department,
426 provided such organization shall include any division, bureau or other
427 unit which is specifically required by the general statutes; [(5)] (E)
428 shall, for any proceeding on a proposed rate amendment in which staff
429 of the department are to be made a party pursuant to section 16-19j,
430 determine which staff shall appear and participate in the proceedings
431 and which shall serve the members of the authority; [(6)] (F) may enter
432 into such contractual agreements, in accordance with established
433 procedures, as may be necessary for the discharge of his duties; and
434 [(7)] (G) may, subject to the provisions of section 4-32, and unless
435 otherwise provided by law, receive any money, revenue or services
436 from the federal government, corporations, associations or individuals,
437 including payments from the sale of printed matter or any other
438 material or services. The executive director shall require the staff of the
439 department to have expertise in public utility engineering and
440 accounting, finance, economics, computers and rate design. Subject to
441 the provisions of chapter 67 and within available funds in any fiscal
442 year, the executive director may appoint a secretary, and may employ
443 such accountants, clerical assistants, engineers, inspectors, experts,
444 consultants and agents as the department may require.

445 (2) The chairperson may appoint a designee to serve on behalf of the
446 department as a member of a board or council created to facilitate state

447 or regional initiatives with respect to matters affecting the public
 448 interest in connection with utility regulation and services, including,
 449 but not limited to, issues on climate change, the reduction of
 450 greenhouse gas emissions, regional planning and low-income energy
 451 assistance.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-18a
Sec. 2	<i>from passage</i>	16-262j(c)
Sec. 3	<i>from passage</i>	16-8a(c)
Sec. 4	<i>from passage</i>	16-262c(b)(1)
Sec. 5	<i>from passage</i>	16-19(a)
Sec. 6	<i>from passage</i>	16-1(a)(30)
Sec. 7	<i>from passage</i>	16-1(a)(31)
Sec. 8	<i>from passage</i>	16-1(a)
Sec. 9	<i>from passage</i>	16-245(l)
Sec. 10	<i>from passage</i>	16-245b
Sec. 11	<i>from passage</i>	16-245p(b)
Sec. 12	<i>from passage</i>	22a-266(a)(19)
Sec. 13	<i>from passage</i>	7-148ee(c)
Sec. 14	<i>from passage</i>	33-219(b)
Sec. 15	<i>from passage</i>	16-2(f)

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill makes revisions to utility statutes. It requires electric brokers to register with the Department of Public Utility Control (DPUC).

House "A" makes clarifying changes that will not result in a fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 6302 (as amended by House "A")******AN ACT CONCERNING REVISIONS TO THE UTILITY STATUTES.*****SUMMARY:**

This bill requires electric brokers to register with Department of Public Utility Control (DPUC). "Electric brokers" are entities that arrange for the sale or purchase of power but do not take title to the power. The bill requires DPUC to maintain a publicly available list of brokers and makes related changes. It makes a minor change in the registration requirements for aggregators (entities that gather customers together to negotiate the purchase of electricity from competitive electric suppliers).

The bill allows licensed electric suppliers to act as brokers or aggregators without having to register and makes minor related changes.

The bill allows DPUC to retain consultants to help in proceedings before federal agencies. The affected DPUC-regulated company bears the costs of the consultants.

The bill also:

1. expands public notice requirements for proposed rate changes;
2. bars electric utilities from denying service during the heating season for hardship customers who cannot pay their bills;
3. requires the banking commissioner to set the index used to determine the interest rate to be paid on the security deposits paid to utilities, competitive telecommunications providers, and

competitive electric suppliers;

4. gives DPUC 90, rather than 30, business days to issue a preliminary finding after receiving a complaint of retaliation against an employee for making a whistle-blowing complaint about a utility or a related company; and
5. allows the DPUC chairperson to name a designee to participate on various state and regional committees dealing with issues such as utility regulation, climate change, and low-income energy assistance.

* House Amendment "A" (1) eliminates provisions in the bill that require that when DPUC issues requests for proposals and other procurements of electricity, it do so in an uncontested case; (2) requires that notices of rate change hearings be sent no more than six, rather than four, weeks before the start of the hearing; and (3) makes minor changes. EFFECTIVE DATE: Upon passage

ELECTRIC BROKERS AND AGGREGATORS

The bill requires electric brokers to register with DPUC. It defines an electric broker as a person, municipality, regional water authority, or the Connecticut Resources Recovery Authority (CRRRA), if the entity arranges or acts as an agent, negotiator, or intermediary in buying or selling electric power between an end use customer and a supplier, but does not take title to any of the power. To be considered a broker, (1) the entity cannot be engaged in the actual purchase and resale of power and (2) the customer must contract for power directly with an electric supplier.

The bill requires brokers to register with DPUC under the same conditions as electric aggregators. The registration requirement does not apply to municipalities, regional water authorities, or CRRRA acting as a broker under certain conditions, such as brokering power sales for customers in their boundaries.

Among other things, an applicant for a registration must provide

DPUC with information on its corporate structure and disclose whether it or its affiliates or officers have been or are under investigation for violations of consumer protection laws. The bill requires brokers to comply with the Connecticut Unfair Trade Practices Act and the National Labor Relations Act as a condition of maintaining registration, as is currently the case for aggregators. It subjects brokers that fail to comply with registration conditions or violate applicable laws to civil penalties, registration suspension or revocation, or prohibition on accepting new customers, imposed in a contested proceeding, as is currently the case for aggregators.

By law, a registration application for electric aggregators must contain information about the applicant's corporate structure. The bill requires that this information for both aggregators and brokers include the names and background information on corporate affiliates, rather than the financial names and statements of these affiliates.

The bill allows nonprofit electric cooperatives to supply power to and transact other business with electric brokers and makes other minor changes.

NOTICE OF RATE CASES

By law, utilities must mail their customers notice of a proposed rate change at least one week before DPUC holds a hearing on the proposal. The bill additionally requires that this notice be sent no more than six weeks before the hearing. In addition to the information already required to be in the notice, the bill requires that the notice include (1) the date, time, and location of the hearing, if the company knows this when it prepares the notice and (2) a statement that customers can provide written comments to DPUC on the proposal or appear at the hearing.

DENIAL OF SERVICE DURING THE HEATING SEASON

By law, electric companies and municipal electric utilities cannot terminate or refuse to reinstate residential electric service to “hardship cases” from November 1 to May 1. The bill additionally bars these

companies and utilities from denying service to such customer during this period. By law, hardship customers include those on public assistance; those whose only source of income is Social Security, veterans, or unemployment benefits; and those with a sick member of their household.

CONSULTANTS

The bill allows DPUC to retain consultants to assist its staff in federal proceedings by providing expertise (1) in areas in which it does not have staff expertise or (2) to supplement DPUC's staff expertise. The provision applies to proceedings before the Federal Energy Regulatory Commission, Department of Energy, Nuclear Regulatory Commission, the Securities and Exchange Commission, the Federal Trade Commission, the Department of Justice, and the Federal Communications Commission.

The affected company regulated by DPUC must bear the reasonable and proper expenses of the consultants and pay the costs when and how DPUC directs. The expenses must be apportioned among the affected companies in proportion to their revenue, as reported to DPUC when it assesses its administrative costs among the companies it regulates. The costs cannot exceed \$250,000 per proceeding, including any appeals, in any calendar year unless DPUC finds good cause for exceeding the limit. DPUC must allow the affected entities to recover these costs in rate cases, if applicable. (DPUC does not conduct rate cases for certain types of companies.)

DPUC has similar authority under current law to retain consultants in connection with its own proceedings.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 20 Nay 0 (02/26/2009)